SEBI device to dispel misgivings among investors

3990. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Securities and Exchange Board of India (SEBI) has devised a novel way to dispel misgivings among investors about irregularities in the allotment of shares from issues; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The information is being collected and will be laid on the Table of the House.

Grant of Capital Market access to Banks

3991. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news items which appeared in the 'Economic Times' dated the 15th March, 1993 captioned "Law to Grant Capital Market Access to Banks under study";

(b) if so, what are the details of the proposed legislation;

(c) whether it is a fact that the State Bank of India can enter into Capital markets without any prior legislation;

(d) whether Government will extend the same facilities to other public sector banks; and

(e) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) to (e) While presenting the Union Budget for 1993-94, the Finance Minister has stated that Government have decided that State Bank of India as well as other nationalised banks which are in a position to do so will be allowed to access the capital markets to raise fresh equity to meet their shortfall in capital requirements over the next three years. Finance Minister has also stated that Government will continue to retain majority ownership and, therefore, effective control in the public sector banks. Reserve Bank of India have been requested to formulate necessary legislative proposals in this regard.

Fraud in LIC

3992. CHOWDHARY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item of 'Indian Express' New Delhi dated the 16th March, 1993 captioned "Major Fraud in L.I.C. detected";

(b) if so, what are the details of the above fraud;

(c) whether Government have made any investigation into the case; and

(d) what are the names of the persons involved in the said fraud?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Yes, Sir. As per the information furnished by the Life Insurance Corporation of India, their audit team have pointed out that in 26 cases the premiums were received and adjusted after the surrender of the policies. The sums assured under these policies range from Rs. 3000/- to Rs. 17,000/-. The policies were under salary deduction schemes and the premiums continued to be deducted by the employer and remitted to the